

Resolution No. _____

RESOLUTION:

To modify the admissions
and amusement tax

WHEREAS, Section 4-102 of the Tax-General Article of the Annotated Code of Maryland grants the City of Rockville authority to levy, by resolution, a gross receipts tax on admissions and amusements; and

WHEREAS, Section 4-105 of the Tax-General Article of the Annotated Code of Maryland grants the City of Rockville authority to levy an additional tax of five cents (\$.05) on a reduced charge or free admission if the charge for any other admission is fifty cents (\$.50) or less; ten cents (\$.10), if the charge for any other admission is more than fifty cents (\$.50) but does not exceed one dollars (\$1.00); and a tax of fifteen cents (\$.15), if the charge for any other admission is more than one dollar (\$1.00); and

WHEREAS, Section 4-105 of the Tax-General Article of the Annotated Code of Maryland specifies the maximum rate imposed under the aforesaid Section 4-102 shall not exceed ten percent (10%) of the gross receipts, and further provides that in those cases where gross receipts for amusements are also subject to sales and use tax, the total tax rate shall not exceed eleven percent (11%) of the gross receipts; and

WHEREAS, the Mayor and Council of Rockville desires to modify the admissions and amusements tax, adopted by Resolution No. 15-91, as it applies to golf course facilities located and operated on property owned by the City of Rockville, so as to reduce the tax to zero percent (0%).

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that pursuant to the authority granted under Section 4-102(b)(1) of the Tax-General Article of the Annotated Code of Maryland, as amended or recodified from

time to time, a tax is imposed on the gross receipts derived from any admissions and amusement charge as defined in Section 4-101(b) of the Tax-General Article of the Annotated Code of Maryland, as amended or recodified from time to time, at the rate of ten percent (10%); except as this rate may be limited pursuant to Section 4-105(b) of the Tax-General Article of the Annotated Code of Maryland, as amended or recodified from time to time; and except that the gross receipts of miniature golf facilities shall be taxed at the rate of seven percent (7%); and except that the gross receipts of golf facilities located and operated on property owned by the City of Rockville shall be taxed at the rate of zero percent (0%); and

BE IT FURTHER RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, pursuant to the authorization of Section 4-102(b)(2) of the Tax-General Article of the Annotated Code of Maryland, as amended or recodified from time to time, an additional tax is imposed on reduced charges or free admissions as set forth in Section 4-105(f) of the Tax-General Article of the Annotated Code of Maryland, as amended or recodified from time to time; and

BE IT FURTHER RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, in addition to the exemptions provided in Section 4-103 of the Tax-General Article of the Annotated Code of Maryland, as amended or recodified from time to time, and pursuant to the authorization of Section 4-104(a) of the Tax General Article of the Annotated Code of Maryland, as amended or recodified from time to time, non-profit community swimming pools shall be exempt from the tax imposed under paragraphs 1 and 2 hereof, provided that the gross receipts thereof inure exclusively to the benefit of a not for profit community association; that no part of the net earnings inure to the benefit of any stockholder or

member of the community association; and that the proceeds are used exclusively for community or civic improvements; and

BE IT FURTHER RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that the Comptroller of the Treasury of the State of Maryland shall be advised of this Resolution; and

BE IT FURTHER RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that this Resolution shall take effect upon its adoption.

* * * * *

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Mayor and Council at its meeting of October 24, 2011.

Brenda F. Bean, Acting City Clerk